

Health Care Financing Trends

Fall 1979

Information through March 1979 on:

- National Health Expenditures
- Community Hospital Statistics
- Health Care Prices
- Employment, Hours, and Earnings of Health Workers
- National Economic Indicators

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410
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H416
v.1 no.1 (1979
Fall)

Published by Health Care Financing Administration

Health Care Financing Trends

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Education, and Welfare
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Trends, a quarterly publication, contains tables and analyses highlighting economic developments in the health care sector. Each quarter recent data are presented on:

- national health expenditures, by type of service and source of funds;
- community hospital statistics, measured by the American Hospital Association;
- consumer price indexes, measured by the Bureau of Labor Statistics;
- employment, hours, and earnings of health workers, also from the BLS; and
- a variety of national economic indicators, such as the Gross National Product and the aggregate rate of unemployment.

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RA
410.53
H416
v.1 no.1
(1979, Fall)
c3

Health Care Financing Trends

Fall 1979

Volume 1, Number 1

Compiled by

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Cost Estimates

Published by

Health Care Financing Administration
Office of Research, Demonstrations,
and Statistics

Health Care Financing Trends

The Health Care Financing Trends is published quarterly by the Health Care Financing Administration's Office of Research, Demonstrations, and Statistics.

The Health Care Financing Administration was established in March 1977 to combine HEW's health financing and quality assurance programs into a single agency. HCFA is responsible for the operation of the Medicare and Medicaid programs, the PSRO program, Federal survey and certification efforts, and a variety of health care quality assurance activities.

The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 45 million aged, disabled, and poor Americans. HCFA is committed to making beneficiaries aware of the services for which they are eligible, promoting the accessibility of those services and ensuring that HCFA policies and actions promote efficiency and quality within the total health care delivery system.

HCFA's Office of Research, Demonstrations, and Statistics (ORDS) conducts studies and projects that demonstrate and evaluate optional reimbursement, coverage, eligibility, and management alternatives to the present Federal programs. ORDS also assesses the impact of HCFA programs on health care costs, program expenditures, beneficiary access to services, health care providers, and the health care industry. In addition, ORDS monitors national health care expenditures and prices and provides actuarial analyses on the costs of current HCFA programs as well as the impact of possible legislative or administrative changes in the programs.

Table of Contents

	<u>Page</u>
<u>Section A.</u> National health expenditures and related measures	1
<u>Section B.</u> Selected community hospital statistics from the National Hospital Panel Survey	9
<u>Section C.</u> Medical care prices	13
<u>Section D.</u> Employment, hours, and earnings in the health care sector	17
<u>Section E.</u> National Economic Indicators	23
<u>References.</u>	27
<u>Appendix.</u> List of contacts for further information	28

List of Tables
(Twelve-month periods through March 1979)

<u>Table</u>		<u>Page</u>
A-1.	National health expenditures, by type of expenditure	3
A-2.	Personal health care expenditures, by type of expenditure and source of funds	4
A-3.	Personal health care expenditures per capita, by type of expenditure and source of funds	5
A-4.	Percentage distribution by source of funds, for selected types of personal health care expenditures	6
A-5.	Personal health care expenditures in current and constant dollars, and factors affecting growth	7
B-1.	Selected community hospital statistics from the National Hospital Panel Survey	11
C-1.	Average medical care Consumer Price Indexes for all urban consumers	14
C-2.	Annual percentage change in average medical care Consumer Price Indexes for all urban consumers	15
C-3.	The National Hospital Input Price Index and the National Nursing Home Input Price Index	16
D-1.	Employment of health professionals and workers, by selected occupation	19
D-2.	Employment, hours, and earnings in private health service establishments, by selected type of establishment	20
D-3.	Annual percentage change in employment, hours, and earnings in private health service establishments, by selected type of establishment	21
E-1.	Selected national economic indicators	25
E-2.	Annual percentage change in selected national economic indicators	26

Section A. National Health Expenditures and Related Measures

During the twelve months ending in March 1979, national health expenditures were \$198.6 billion, up 13.3 percent from the same period one year earlier (Table A-1). While this rate of growth was still more rapid than that of the Gross National Product, annual growth in national health expenditures slowed from the rapid rates experienced late in 1977 and early in 1978. National health expenditures were equal to 9.0 percent of the Gross National Product, unchanged from calendar year 1978*.

Rates of growth

Annual growth of the various components of national health expenditures has not been uniform. Growth of personal health care expenditures -- covering the direct provision of health care -- was in the 10-12 percent range through mid-1974, grew sharply to 16 percent in mid-1975, and slowed gradually to about 13 percent by the beginning of 1977, where it has remained. During the twelve months ending in March 1979, expenditures for hospital care were \$78.3 billion, a 12.2 percent increase from the previous year. The growth rate of hospital care expenditures, while higher than the 11.9 percent increase for calendar year 1978, is consistent with a slowdown of growth which began late in 1977, but it is too early to tell whether it marks the bottom of that trend. Expenditures for physicians services were \$36.6 billion, a 13.9 percent increase over the previous year -- the largest increase since 1976 and a full percentage point higher than the annual rate recorded only three months earlier. Nursing-home care expenditures were \$16.3 billion, 17.3 percent higher than the previous year (a growth rate consistent with the 17-18 percent range established since mid-1977). Other types of personal health care spending -- for dentists' services, drugs, eyeglasses, and so on -- showed evidence of increasing rates of annual growth. These two offsetting trends -- the decreasing growth of hospital expenditures and the increasing growth of other types of care -- tend to cancel each other, so that the overall growth rate of personal health

* In the most recent of a series of articles on the subject, national health expenditures were estimated to equal 9.1 percent of the Gross National Product [Gibson, 1979]. Since that time, the Bureau of Economic Analysis (U.S. Department of Commerce) has issued revised estimates of the GNP, which are used here and in Section E and which are higher than the previous estimates. The effect is to reduce national health expenditures as a share of the GNP without affecting the estimate of national health expenditures itself.

care expenditures has been in the range of 12.5 to 13 percent since the end of 1976.

On balance, other types of national health expenditures have been growing more rapidly than have personal health care expenditures. The annual growth rate of expenses for prepayment and administration has been subsiding since early in 1978, but was still quite high for the year ending in March 1979 (18.0 percent), due largely to its more volatile component -- prepayment, the difference between premiums to and claims on health insurers. Prepayment had been growing rapidly from very low levels in 1975-76, but its growth has moderated substantially since the beginning of 1978.

In contrast, the annual growth of government public health activities, such as the Center for Disease Control and similar State programs, has increased steadily since the end of 1977, reaching a rate of 20.7 percent for the year ending in March 1979.

Research expenditures have been growing more rapidly than they had through 1977, but annual growth has slowed since mid-1978, to a 12.9 percent rate by the year ending in March 1979. In the same period, the construction cost of medical facilities, which had fluctuated around \$5 billion since late 1975, was \$5.1 billion.

Personal health care expenditures

In the twelve months ending in March 1979, personal health care expenditures were \$173.5 billion (Table A-2). These figures imply an expenditure of \$776 per capita for health care, including \$350 of hospital care and \$164 of physicians' services (Table A-3). Expenditure per capita was \$84 higher than in the previous year, an increase of 12.2 percent. Of the \$776, \$257 per person per year were direct consumer payments.

Roughly two-thirds of all personal health care expenditures were funded by third parties (Table A-4). The federal share of the total (27.9 percent) had remained almost constant since 1973. However, the State and local government share and the private health insurance share had been decreasing since mid-1977, so that the net effect upon consumers was a fractional increase in their burden of health care costs, from 31.8 percent in the year ending in March 1977 to 33.1 percent in the year ending in March 1979.

As had been the case since mid-1977, roughly two-thirds of the growth in personal health care expenditures was attributable to inflation (Table A-5). A little more than a quarter of the growth of expenditures for the twelve months ending in March 1979 was due to increases in "intensity" -- frequency of care, quality of care, and so on. Population growth accounted for the remainder of the growth in expenditures.

Table A-1. National Health Care Expenditures, by Type of Expenditure

Type of Expenditure	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Amount (millions)							
Total	\$135,666	\$153,271	\$175,348	\$181,193	\$186,976	\$192,448	\$198,588
Health services and supplies	127,231	144,490	166,466	172,079	177,684	183,007	189,070
Personal health care	120,254	135,906	153,390	158,118	163,075	167,911	173,517
Hospital care	54,302	61,571	69,815	71,968	74,087	76,025	78,305
Physicians' services	25,674	28,421	32,144	33,058	34,093	35,250	36,626
Dentists' services	8,603	10,588	12,027	12,438	12,862	13,300	13,778
Other professional services	2,747	3,339	3,836	3,982	4,130	4,275	4,442
Drugs and drug sundries	12,043	13,034	14,087	14,364	14,692	15,098	15,511
Eyeglasses and appliances	3,024	3,277	3,490	3,567	3,734	3,879	3,999
Nursing home care	10,221	11,771	13,917	14,564	15,202	15,751	16,327
Other personal health care	3,641	3,907	4,075	4,177	4,275	4,333	4,528
Prepayment/administration expenses	3,643	4,738	8,620	9,299	9,741	10,022	10,174
Government public health activity	3,334	3,846	4,457	4,662	4,868	5,073	5,379
Research and construction	8,435	8,781	8,881	9,115	9,292	9,441	9,518
Research	3,365	3,523	3,874	4,044	4,185	4,287	4,376
Construction of medical facilities	5,070	5,258	5,007	5,071	5,107	5,154	5,142
Gross National Product (billions)	\$1,578.6	\$1,743.8	\$1,947.3	\$2,004.3	\$2,061.6	\$2,127.6	\$2,197.7
National health expenditures as a share of the GNP	8.6%	8.8%	9.0%	9.0%	9.1%	9.0%	9.0%
Annual Percentage Change							
Total	13.1	13.0	14.4	14.1	13.7	13.2	13.3
Health services and supplies	13.1	13.6	15.2	14.6	14.1	13.5	13.6
Personal health care	14.3	13.0	12.9	12.6	12.5	12.6	13.1
Hospital care	16.0	13.4	13.4	13.2	12.7	11.9	12.2
Physicians' services	15.1	10.7	13.1	12.8	12.4	12.8	13.9
Dentists' services	13.6	23.1	13.6	13.4	13.6	14.2	14.6
Other professional services	18.3	21.6	14.9	15.0	15.3	15.5	15.8
Drugs and drug sundries	7.1	8.2	8.1	8.1	8.3	9.3	10.1
Eyeglasses and appliances	9.2	8.4	6.5	6.7	10.2	12.3	14.6
Nursing home care	15.1	15.2	18.2	16.9	17.1	17.9	17.3
Other personal health care	9.0	7.3	4.3	4.7	6.8	8.2	11.1
Prepayment/administration expenses	-16.8	30.0	81.9	61.6	43.7	27.8	18.0
Government public health activity	16.8	15.4	15.9	17.6	18.8	19.0	20.7
Research and construction	12.1	4.1	1.1	4.1	6.5	7.9	7.2
Research	23.0	4.7	10.0	15.3	16.7	15.4	12.9
Construction of medical facilities	5.9	3.7	-4.8	-3.4	-5	2.4	2.7
Gross National Product	10.1	10.5	11.7	11.8	11.7	12.0	12.9

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Table A-2. Personal Health Care Expenditures, by Type of Expenditure and Source of Funds
(millions)

Source of Funds	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Personal Health Care							
Total	\$120,254	\$135,906	\$153,390	\$158,118	\$163,075	\$167,911	\$173,517
Direct payments	38,705	43,245	50,027	51,303	53,413	55,317	57,436
Third-party payments	81,549	92,661	103,362	106,816	109,663	112,594	116,081
Private third parties	34,173	39,749	43,647	45,134	46,137	47,553	48,621
Health insurance	32,665	38,088	41,609	43,049	44,006	45,363	46,403
Other	1,508	1,661	2,038	2,086	2,131	2,189	2,218
Public payments	47,376	52,912	59,715	61,681	63,525	65,042	67,460
Federal government	32,594	37,329	42,287	43,793	45,236	46,503	48,331
State and local government	14,782	15,583	17,428	17,888	18,289	18,539	19,129
Hospital Care							
Total	\$54,302	\$61,571	\$69,815	\$71,968	\$74,087	\$76,025	\$78,305
Direct payments	4,096	4,421	6,611	6,698	7,161	7,533	7,771
Third-party payments	50,206	57,150	63,204	65,270	66,926	68,491	70,534
Private third parties	20,511	23,437	25,321	26,191	26,778	27,573	28,134
Health insurance	20,024	22,916	24,532	25,384	25,956	26,724	27,292
Other	488	521	789	807	822	849	842
Public payments	29,694	33,713	37,883	39,078	40,148	40,918	42,400
Federal government	21,076	24,645	27,874	28,852	29,748	30,344	31,507
State and local government	8,618	9,067	10,009	10,227	10,401	10,575	10,893
Physicians' Services							
Total	\$25,674	\$28,421	\$32,144	\$33,058	\$34,093	\$35,250	\$36,626
Direct payments	9,118	9,883	11,106	11,283	11,699	12,013	12,586
Third-party payments	16,556	18,538	21,038	21,775	22,395	23,237	24,040
Private third parties	9,822	11,285	12,637	13,063	13,352	13,798	14,171
Health insurance	9,808	11,269	12,619	13,045	13,333	13,779	14,146
Other	15	16	18	19	19	19	25
Public payments	6,733	7,253	8,401	8,712	9,043	9,439	9,869
Federal government	4,821	5,314	6,222	6,462	6,726	7,066	7,407
State and local government	1,912	1,939	2,179	2,249	2,317	2,374	2,463
Other Personal Health Care							
Total	\$40,278	\$45,915	\$51,431	\$53,092	\$54,895	\$56,637	\$58,586
Direct payments	25,491	28,941	32,311	33,321	34,553	35,771	37,079
Third-party payments	14,787	16,974	19,120	19,771	20,342	20,866	21,507
Private third parties	3,839	5,028	5,689	5,880	6,008	6,181	6,316
Health insurance	2,834	3,904	4,458	4,620	4,718	4,861	4,965
Other	1,005	1,124	1,231	1,260	1,290	1,321	1,351
Public payments	10,948	11,946	13,431	13,891	14,334	14,684	15,191
Federal government	6,696	7,370	8,191	8,480	8,762	9,093	9,418
State and local government	4,252	4,576	5,240	5,412	5,572	5,591	5,773

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Table A-3. Personal Health Care Expenditures per Capita, by Type of Expenditure and Source of Funds

Source of Funds	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Personal Health Care							
Total	\$551.61	\$618.25	\$691.99	\$711.93	\$732.89	\$752.98	\$776.23
Direct payments	177.54	196.73	225.69	230.99	240.05	248.06	256.94
Third-party payments	374.07	421.53	466.30	480.94	492.84	504.92	519.29
Private third parties	156.76	180.82	196.91	203.22	207.35	213.24	217.51
Health insurance	149.84	173.27	187.71	193.83	197.77	203.43	207.59
Other	6.92	7.56	9.19	9.39	9.58	9.82	9.92
Public payments	217.32	240.70	269.40	277.72	285.49	291.67	301.78
Federal government	149.51	169.81	190.77	197.18	203.30	208.54	216.21
State and local government	67.81	70.89	78.62	80.54	82.19	83.14	85.57
Hospital Care							
Total	\$249.09	\$280.10	\$314.96	\$324.04	\$332.96	\$340.93	\$350.30
Direct payments	18.79	20.11	29.82	30.16	32.18	33.78	34.77
Third-party payments	230.30	259.98	285.14	293.88	300.78	307.14	315.54
Private third parties	94.09	106.62	114.23	117.93	120.34	123.65	125.86
Health insurance	91.85	104.25	110.67	114.29	116.65	119.84	122.09
Other	2.24	2.37	3.56	3.63	3.69	3.81	3.77
Public payments	136.21	153.36	170.90	175.95	180.43	183.49	189.68
Federal government	96.68	112.12	125.75	129.90	133.69	136.07	140.95
State and local government	39.53	41.25	45.16	46.05	46.74	47.42	48.73
Physicians' Services							
Total	\$117.77	\$129.29	\$145.01	\$148.84	\$153.22	\$158.08	\$163.85
Direct payments	41.83	44.96	50.10	50.80	52.58	53.87	56.30
Third-party payments	75.94	84.33	94.91	98.04	100.65	104.21	107.54
Private third parties	45.06	51.33	57.01	58.82	60.01	61.88	63.39
Health insurance	44.99	51.26	56.93	58.73	59.92	61.79	63.28
Other	.07	.07	.08	.08	.09	.09	.11
Public payments	30.89	32.99	37.90	39.22	40.64	42.33	44.15
Federal government	22.12	24.17	28.07	29.10	30.23	31.69	33.13
State and local government	8.77	8.82	9.83	10.13	10.41	10.65	11.02
Other Personal Health Care							
Total	\$184.76	\$208.87	\$232.02	\$239.05	\$246.71	\$253.98	\$262.09
Direct payments	116.93	131.66	145.77	150.03	155.29	160.41	165.88
Third-party payments	67.83	77.22	86.26	89.02	91.42	93.57	96.21
Private third parties	17.61	22.87	25.67	26.48	27.00	27.72	28.26
Health insurance	13.00	17.76	20.11	20.80	21.20	21.80	22.21
Other	4.61	5.11	5.55	5.67	5.80	5.92	6.05
Public payments	50.22	54.34	60.59	62.55	64.42	65.85	67.96
Federal government	30.72	33.53	36.95	38.18	39.38	40.78	42.13
State and local government	19.50	20.82	23.64	24.37	25.04	25.07	25.83
Population (000)	218,003	219,823	221,663	222,098	222,511	222,995	223,537

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Table A-4. Percentage Distribution by Source of Funds, for Selected Types of Personal Health Care Expenditures

Source of Funds	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Personal Health Care							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct payments	32.2	31.8	32.6	32.4	32.8	32.9	33.1
Third-party payments	67.8	68.2	67.4	67.6	67.2	67.1	66.9
Private third parties	28.4	29.2	28.5	28.5	28.3	28.3	28.0
Health insurance	27.2	28.0	27.1	27.2	27.0	27.0	26.7
Other	1.3	1.2	1.3	1.3	1.3	1.3	1.3
Public payments	39.4	38.9	38.9	39.0	39.0	38.7	38.9
Federal government	27.1	27.5	27.6	27.7	27.7	27.7	27.9
State and local government	12.3	11.5	11.4	11.3	11.2	11.0	11.0
Hospital Care							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct payments	7.5	7.2	9.5	9.3	9.7	9.9	9.9
Third-party payments	92.5	92.8	90.5	90.7	90.3	90.1	90.1
Private third parties	37.8	38.1	36.3	36.4	36.1	36.3	35.9
Health insurance	36.9	37.2	35.1	35.3	35.0	35.2	34.9
Other	.9	.8	1.1	1.1	1.1	1.1	1.1
Public payments	54.7	54.8	54.3	54.3	54.2	53.8	54.1
Federal government	38.8	40.0	39.9	40.1	40.2	39.9	40.2
State and local government	15.9	14.7	14.3	14.2	14.0	13.9	13.9
Physicians' Services							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct payments	35.5	34.8	34.5	34.1	34.3	34.1	34.4
Third-party payments	64.5	65.2	65.5	65.9	65.7	65.9	65.6
Private third parties	38.3	39.7	39.3	39.5	39.2	39.1	38.7
Health insurance	38.2	39.7	39.3	39.5	39.1	39.1	38.6
Other	.1	.1	.1	.1	.1	.1	.1
Public payments	26.2	25.5	26.1	26.4	26.5	26.8	26.9
Federal government	18.8	18.7	19.4	19.5	19.7	20.0	20.2
State and local government	7.4	6.8	6.8	6.8	6.8	6.7	6.7
Other Personal Health Care							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct payments	63.3	63.0	62.8	62.8	62.9	63.2	63.3
Third-party payments	36.7	37.0	37.2	37.2	37.1	36.8	36.7
Private third parties	9.5	11.0	11.1	11.1	10.9	10.9	10.8
Health insurance	7.0	8.5	8.7	8.7	8.6	8.6	8.5
Other	2.5	2.4	2.4	2.4	2.4	2.3	2.3
Public payments	27.2	26.0	26.1	26.2	26.1	25.9	25.9
Federal government	16.6	16.1	15.9	16.0	16.0	16.1	16.1
State and local government	10.6	10.0	10.2	10.2	10.2	9.9	9.9

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Table A-5. Personal Health Care Expenditures in Current and Constant Dollars, and Factors Affecting Growth

	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Personal health care expenditures							
Millions of current dollars	120,254	135,906	153,390	158,118	163,075	167,911	173,517
Millions of 1972 dollars	91,528	94,958	98,845	99,902	101,013	101,897	103,088
Implicit price deflator	131.4	143.1	155.2	158.3	161.4	164.8	168.3
Annual percentage change in personal health care expenditures	14.27	13.02	12.86	12.64	12.53	12.59	13.12
Distribution of annual growth among factors:							
All factors	100%	100%	100%	100%	100%	100%	100%
Prices	80	70	67	68	68	68	66
Population	6	7	7	7	7	7	7
Intensity	14	23	26	25	25	25	27

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Section B. Selected Community Hospital Statistics from the National
Hospital Panel Survey *

In general, the activities of community hospitals during the twelve months ending in March 1979 reflect slowing trends which began early in 1977.

Growth of capacity, measured by the number of beds, slowed to 1.0 percent, continuing a slowdown of annual growth which began in mid-1977. The number of admissions grew 1.3 percent. This, too, reflected a continuing slowdown in the rate of growth; the substantial increases in growth recorded after the implementation of Medicare and Medicaid and during the Economic Stabilization Program have not reappeared, and recent growth rates are comparable to those of the early 1960's. The number of adjusted patient-days (which reflects both inpatient days and outpatient visits) grew 1.0 percent, slightly faster than the 0.85 percent growth of the U.S. population. The average length of an adult hospital stay was 7.2 days, as it had been since late 1977. Hospitals operated at 73.7 percent of capacity, part of a downward trend which began late in 1976.

Community hospital operating expenses grew 12.9 percent, flattening the downward trend in growth that began in 1976. Although that growth is at about the same rate as that for calendar year 1978, it is lower than that of any other period since early in 1974. Growth of payroll expenses continued to slow, to a rate of 12.2 percent. In contrast, annual growth of nonpayroll expenses increased slightly, to a rate of 13.5 percent. This latter reflects recent acceleration in the price inflation of such commodities as food, as

* The monthly National Hospital Panel Survey is conducted by the American Hospital Association (AHA) of a sample of community hospitals (stratified by size and geographic location) drawn from the membership of the AHA. Survey results are reported in Hospitals, J.A.H.A., a biweekly magazine published by the AHA. Community hospitals comprise "all nonfederal short-term general and other specific hospitals -- excluding hospital units of institutions [after 1971] -- whose facilities and services are available to the public." (Hospital Statistics, 1978 edition; AHA, Chicago)

well as increases in short-term interest rates; still, this growth was one of the lowest annual rates since 1966. Expense per adjusted patient-day was \$209, 11.8 percent above the previous year, continuing the slowdown of annual growth which began in mid-1977. Changes in expense per patient-day are attributable to changes in "intensity" -- for example, the mix of services performed or the levels of technology employed -- and to changes in prices. Changes in intensity accounted for about a quarter of the annual growth in expense per patient-day for the year ending in March 1979, part of a steady drop from a peak in mid-1977, when changes in intensity accounted for nearly one-half of this growth.

Average full-time-equivalent (FTE) employment in community hospitals was 3.6 percent higher than in the previous year, part of a slowdown of growth which began in mid-1976. FTE personnel per bed, in which there has been a similar growth trend, increased 2.6 percent.

Table B-1. Selected Community Hospital Statistics from the National Hospital Panel Survey

Statistic	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Level							
Utilization:							
Beds (000)	914	936	947	949	952	954	957
Admissions (000)	33,936	34,548	35,355	35,477	35,539	35,561	35,812
Inpatient days (000)	250,067	253,861	256,134	256,449	256,818	256,708	257,386
Adjusted patient days (000)	283,708	288,689	292,572	293,272	294,131	294,482	295,479
Adult occupancy rate	74.7%	74.3%	74.1%	74.0%	73.9%	73.7%	73.7%
Adult length of stay (days)	7.4	7.3	7.2	7.2	7.2	7.2	7.2
Operating expenses:							
Total (millions)	\$40,345	\$47,578	\$54,645	\$56,304	\$58,030	\$59,802	\$61,679
Payroll (millions)	\$20,983	\$24,113	\$27,341	\$28,109	\$28,970	\$29,828	\$30,685
Nonpayroll (millions)	\$19,362	\$23,465	\$27,303	\$28,194	\$29,060	\$29,974	\$30,994
Per adjusted inpatient day	\$142.21	\$164.81	\$186.77	\$191.98	\$197.29	\$203.08	\$208.74
Full-time equivalent personnel:							
Total (000)	2,331	2,467	2,585	2,606	2,631	2,655	2,678
Per bed	21.2	22.0	22.7	22.9	23.0	23.2	23.3
Annual Percentage Change							
Utilization:							
Beds	2.5	2.3	1.2	1.1	1.0	.9	1.0
Admissions	1.7	1.8	2.3	2.1	1.3	.4	1.3
Inpatient days	1.5	1.5	.9	1.0	.6	.1	.5
Adjusted patient days	2.2	1.8	1.3	1.4	1.0	.6	1.0
Adult occupancy rate	-.9*	-.4*	-.2*	-.1*	-.3*	-.6*	-.4*
Adult length of stay	.0	-1.4	-1.4	-1.4	-1.4	.0	.0
Operating expenses:							
Total	18.1	17.9	14.9	14.1	13.3	12.8	12.9
Payroll	15.0	14.9	13.4	13.0	12.6	12.5	12.2
Nonpayroll	21.7	21.2	16.4	15.3	13.9	13.2	13.5
Per adjusted inpatient day	15.6	15.9	13.3	12.5	12.1	12.1	11.8
Full-time equivalent personnel:							
Total	5.4	5.8	4.8	4.3	4.0	3.7	3.6
Per bed	2.4	3.8	3.2	3.2	2.7	2.7	2.6

* Period-to-period change in percentage

Source: Hospital Data Center, American Hospital Association

Section C. Medical Care Prices

Between calendar year 1967 and the year ending in March 1979, the average medical care Consumer Price Index (CPI) grew at an average annual rate of 7.4 percent, a full percentage point above the average growth of prices in general. However, in recent periods, while the growth of medical care prices has slowed, that of nonmedical prices has increased. In the year ending in March 1979, medical care prices and prices in general grew at the same rate -- 8.5 percent (Table C-2). Continued acceleration of food and fuel prices and rising interest rates are expected to generate a reversal of the historical relationship of growth in medical and nonmedical care prices -- that is, the rate of inflation of the medical care CPI will be less than that of the CPI for all items.

Historically, medical commodity prices (mainly those of prescription and nonprescription drugs) have grown less rapidly than medical service prices or than prices in general, while medical service prices have grown more rapidly than the overall CPI. In recent experience, hospital room rates have been growing as much as 7 percentage points faster than the CPI for all items, although in the year ending in March 1979 that spread shrank to 2.8 percentage points. In that same twelve-month period, the growth in professional service fees slowed to a rate lower than that of the overall CPI.

Part of the overall downward trend of medical care CPI growth may be explained by the Voluntary Effort program to hold down prices and costs without federal intervention. In addition, inflation of food and gasoline prices and current mortgage interest rates affect the health sector much less than they affect the typical family for which the CPI is designed. However, one can expect increased upward pressure upon medical care prices as heating oil shortages and the falling real wages of employees make themselves felt.

HCFA developed the National Hospital Input Price Index, which is similar in nature to the CPI but designed to reflect prices faced by hospitals rather than by consumers [Freeland, Anderson, and Schendler, 1979]. For the year ending in March 1979, the average level of the index was 8.5 higher than the previous year -- the highest annual growth since early in 1977 (Table C-3). Rapid acceleration of nonlabor input prices, especially food prices, and increases in short-term interest rates were responsible for the increase in the annual growth of the index.

A comparable index has been constructed for nursing homes, which shows a very marked upward trend from an annual rate of 6.5 percent in mid-1977 to the 9.1 percent rate recorded for the twelve months ending in March 1979. Due to changes in the minimum wage, labor costs exerted upward pressure on the aggregate growth rate: more than one third of nursing home employees earn wages at or near the federal minimum.

Table C-1. Average Medical Care Consumer Price Indexes for All Urban Consumers

Item	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
(Calendar 1967 = 100 unless noted)							
All items	163.8	172.9	184.4	187.6	191.3	195.4	200.1
All items less medical care	163.3	172.0	183.1	186.2	189.9	194.0	198.6
Apparel and upkeep	143.3	149.3	155.4	156.9	158.2	159.6	161.2
Energy	180.7	193.5	210.2	213.1	216.5	220.4	226.1
Food	177.6	182.5	196.0	200.6	205.8	211.4	217.8
Housing: shelter	172.3	181.3	195.2	199.6	204.7	210.4	216.5
Medical care	172.6	189.0	206.6	210.7	214.8	219.4	224.2
Medical care services	183.5	201.8	221.4	225.9	230.3	235.4	240.9
Professional services	168.3	183.0	197.8	201.4	204.9	208.8	213.1
Physicians' services	174.2	192.8	210.5	214.5	218.7	223.1	227.9
Dental services	164.6	175.1	188.4	191.7	194.7	198.1	202.1
Other professional services *	n/a	n/a	n/a	n/a	n/a	104.0	105.9
Other medical care services **	202.1	224.8	250.0	255.6	261.1	267.6	274.5
Hospital and other							
medical services *	n/a	n/a	n/a	n/a	n/a	106.2	109.0
Hospital room	244.3	276.1	307.4	315.0	322.8	332.4	342.1
Other hospital and medical							
care services *	n/a	n/a	n/a	n/a	n/a	105.9	108.5
Medical care commodities	120.6	127.8	136.5	138.8	141.1	143.5	146.0
Prescription drugs	110.8	116.8	124.4	126.8	129.2	131.6	134.1
Nonprescription drugs and							
medical supplies *	n/a	n/a	n/a	n/a	n/a	103.6	105.2
Eyeglasses *	n/a	n/a	n/a	n/a	n/a	102.2	103.3
Internal and respiratory							
over-the-counter drugs	132.4	141.1	151.1	153.6	156.2	159.0	161.8
Nonprescription medical							
equipment and supplies *	n/a	n/a	n/a	n/a	n/a	103.2	104.8

* December 1977 = 100.0

** Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).

Source: based on data from the Bureau of Labor Statistics, U.S. Department of Labor

Table C-2. Annual Percentage Change In Average Medical Care Consumer Price Indexes for All Urban Consumers

Item	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
All items	8.0	5.6	6.7	6.7	7.1	7.7	8.5
All items less medical care	7.8	5.3	6.5	6.5	7.0	7.6	8.5
Apparel and upkeep	3.4	4.2	4.1	3.9	3.7	3.5	3.7
Energy	9.9	7.1	8.6	7.3	6.5	6.3	7.6
Food	7.4	2.8	7.4	8.1	9.1	10.0	11.1
Housing: shelter	8.6	5.2	7.7	8.4	9.2	10.1	10.9
Medical care	11.1	9.5	9.3	8.9	8.5	8.4	8.5
Medical care services	11.6	10.0	9.7	9.2	8.7	8.6	8.8
Professional services	10.2	8.7	8.1	7.9	7.7	7.6	7.7
Physicians' services	11.8	10.7	9.2	8.8	8.5	8.3	8.3
Dental services	9.1	6.4	7.6	7.6	7.2	7.0	7.3
Other professional services	---	---	---	---	---	---	---
Other medical care services *	13.0	11.2	11.2	10.4	9.7	9.6	9.8
Hospital and other medical services	---	---	---	---	---	---	---
Hospital room	16.1	13.0	11.3	10.9	10.6	11.0	11.3
Other hospital and medical care services	---	---	---	---	---	---	---
Medical care commodities	7.9	6.0	6.8	6.9	7.0	7.0	7.0
Prescription drugs	6.1	5.4	6.5	7.1	7.6	7.8	7.8
Nonprescription drugs and medical supplies	---	---	---	---	---	---	---
Eyeglasses	---	---	---	---	---	---	---
Internal and respiratory over-the-counter drugs	9.9	6.6	7.1	7.0	6.9	7.1	7.1
Nonprescription medical equipment and supplies	---	---	---	---	---	---	---

* Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).

Source: based on data from the Bureau of Labor Statistics, U.S. Department of Labor

Table C-3. The National Hospital Input Price Index and the National Nursing Home Input Price Index

Index Item	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Levels (1977 = 100)							
National Hospital Input Price Index	86.9	94.3	102.0	104.0	106.1	108.4	110.7
Labor	85.7	94.0	102.2	104.3	106.6	108.9	111.0
Wages and salaries	86.9	94.3	102.1	104.1	106.3	108.4	110.5
Fringe benefits	77.6	91.3	102.8	105.8	109.0	112.0	114.9
Nonlabor	88.5	94.8	101.8	103.5	105.5	107.7	110.2
National Nursing Home Input Price Index	89.3	95.4	102.0	104.2	106.6	109.1	111.7
Labor	87.4	95.1	102.2	104.5	107.1	109.6	112.1
Wages and salaries	88.6	95.6	102.1	104.4	106.8	109.3	111.8
Fringe benefits	77.6	91.3	102.8	105.8	109.0	112.0	114.9
Nonlabor	92.0	95.8	101.7	103.6	105.8	108.3	110.9
Annual Percentage Change							
National Hospital Input Price Index	9.7	8.5	8.2	8.1	8.0	8.4	8.5
Labor	10.0	9.7	8.7	8.8	8.8	8.9	8.6
Wages and salaries	9.2	8.5	8.3	8.3	8.4	8.4	8.2
Fringe benefits	18.5	17.7	12.6	12.3	12.0	12.0	11.8
Nonlabor	9.4	7.1	7.4	7.1	7.3	7.6	8.3
National Nursing Home Input Price Index	8.5	6.8	6.9	7.5	8.3	9.1	9.5
Labor	9.7	8.8	7.5	8.0	8.7	9.6	9.7
Wages and salaries	8.8	7.9	6.8	7.4	8.3	9.3	9.5
Fringe benefits	18.5	17.7	12.6	12.3	11.9	12.0	11.8
Nonlabor	7.0	4.1	6.2	6.7	7.5	8.3	9.0

Source: Office of Research, Demonstrations, and Statistics; Health Care Financing Administration

Section D. Employment, Hours, and Earnings in the Health Care Sector

Total employment in the private health care sector has grown steadily, and the growth rate of average hourly earnings is catching up to that of average hourly earnings in the total private economy. These are conclusions drawn from surveys conducted by the U.S. Department of Labor Bureau of Labor Statistics (BLS), the results of which are published in Employment and Earnings.

The data in Table D-2 show the levels of employment, hours, and earnings in private (nongovernment) health industry* establishments. During the twelve months ending in March 1979, an average of 4.8 million persons were employed on a full-time or part-time basis in that industry; nonsupervisory employees worked a 33-hour week and earned \$4.87 an hour. Hours in this industry were shorter than in the private economy, and pay was almost \$1.00 per hour less; the former can be attributed to the relative frequency of part-time jobs, and the latter to the different mixes of occupations and overtime arrangements.

For the year ending in March 1979, the growth rate of average weekly hours in the private health industry was more rapid than in the general private economy, while growth in employment and in average hourly earnings was slower (Table D-3). Health industry average hourly earnings were 8.7 percent higher than in the previous year, and employment was up 198,000 (4.3 percent).

Growth varied greatly by type of establishment, as shown in Table D-3. Employment in nursing homes grew rapidly, as did earnings; much of the growth of average earnings is attributable to changes in the minimum wage, which affects a significant number of the employees in the industry (see Section C). Compared to nursing homes, offices of dentists showed little

* 1972 Standard Industrial Classification 80, which excludes establishments controlled by government.

growth in employment, and a downward trend in annual growth of wages which was counter to the rest of the sector and to the private economy as a whole.

The data described above were drawn from the BLS "establishment" survey of the private nonagricultural sector, which excludes hospitals, clinics, and other health-related establishments run by government. The data for the health sector cover both health workers and such nonmedical auxiliaries as receptionists and accountants employed in a health establishment, and do not cover health workers employed outside the sector (for example in research, education, or industrial clinics).

A second survey of the workforce, the Current Population Survey (CPS), which is designed to yield information on unemployment and on demographic characteristics of the workforce, also yields information on employment by occupation, covering both the private sector and government (Table D-1). In this survey of 56,000 households, the employment status of each member of the household over 16 years old is asked; to be considered employed, a person need only work one hour for pay or profit during the survey week. While the survey results are reliable for its primary objectives -- measurement of unemployment and description of demographic characteristics of the workforce -- the sample and nonsample errors associated with employment estimates for particular occupations are quite large and the year-to-year change in these estimates is unreliable statistically, especially for such small detailed occupations as physicians (who comprise only .4 percent of the employed workforce).

Despite the inadequacy of these data, the occupation employment estimates from the CPS, or "household" survey, merit some attention, if for no other reason than that they are the most current estimates available. Combining all types of health-related occupations, employment stood at about 4.5 percent of the employed workforce in the twelve months ending in March 1979, compared to 4.2 percent in the year ending in March 1976. Employment in health-related occupations rose about 4.7 percent per year over the three-year period, compared to a growth rate of 0.84 percent for population and 2.8 percent for total employment.

[For a more comprehensive discussion of employment in health professions, see A Report to the President and Congress on the Status of Health Professions Personnel in the United States (Bureau of Health Manpower, Health Resources Administration, Public Health Service, U.S. Department of Health, Education, and Welfare), especially chapter II.]

Table D-1. Employment of Health Professionals and Workers, by Selected Occupation

Occupation	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Number Employed (000)							
Practitioners	650	676	737	747	756	756	772
Medical & osteopathic physicians	359	369	410	416	423	424	433
Dentists	107	105	110	112	114	117	120
Pharmacists	121	126	137	139	139	136	137
Nurses, dieticians & therapists	1,135	1,230	1,310	1,335	1,347	1,351	1,392
Registered nurses	946	1,013	1,084	1,100	1,108	1,112	1,148
Therapists	154	169	180	186	188	189	194
Health technologists & technicians	406	440	475	481	483	498	503
Clinical laboratory	180	190	202	211	209	208	206
Radiologic	79	81	88	87	90	97	100
Health service workers	1,742	1,737	1,763	1,803	1,824	1,846	1,852
Nursing aides, orderlies and attendants	1,003	994	1,024	1,042	1,039	1,037	1,028
Practical nurses	382	381	371	378	391	402	405
Health aides, excluding nursing	231	239	244	256	266	276	281
Dental assistants	127	123	125	127	127	130	138

Source: based on data from the Bureau of Labor Statistics (Household Survey), U.S. Department of Labor

Table D-2. Employment, Hours, and Earnings in Private Health Service Establishments, by Selected Type of Establishment

Type of Establishment *	Twelve-month Period Ending						March 1979
	1976	March 1977	1978	June 1978	September 1978	December 1978	
Health services (SIC 80)							
Total number of employees (000)	4,182.8	4,411.5	4,618.3	4,666.3	4,714.4	4,764.4	4,816.7
Nonsupervisory employees							
Number of employees (000)	3,766.0	3,953.0	4,129.0	4,169.5	4,208.7	4,250.2	4,293.3
Average weekly hours	33.4	33.1	33.0	33.0	33.0	33.1	33.1
Average hourly earnings	\$3.89	\$4.18	\$4.48	\$4.57	\$4.67	\$4.76	\$4.87
Offices of physicians and surgeons (SIC 801)							
Total number of employees (000)	588.6	622.2	655.6	664.7	673.5	681.4	688.9
Nonsupervisory employees							
Number of employees (000)	499.7	523.8	545.6	551.9	557.5	562.4	566.9
Average weekly hours	33.2	33.3	33.3	33.2	33.1	33.1	33.2
Average hourly earnings	\$4.01	\$4.32	\$4.69	\$4.78	\$4.88	\$4.98	\$5.08
Offices of dentists (SIC 802)							
Total number of employees (000)	252.3	270.9	284.5	285.4	286.1	287.6	290.1
Nonsupervisory employees							
Number of employees (000)	227.1	244.0	252.7	252.2	251.2	251.5	253.0
Average weekly hours	29.0	28.7	28.5	28.7	28.8	28.9	29.0
Average hourly earnings	\$3.95	\$4.27	\$4.56	\$4.64	\$4.68	\$4.70	\$4.78
Nursing and personal care facilities (SIC 805)							
Total number of employees (000)	771.0	822.0	865.6	877.3	889.7	902.7	916.7
Nonsupervisory employees							
Number of employees (000)	701.2	747.3	784.5	793.7	804.0	815.0	827.0
Average weekly hours	31.3	31.1	31.1	31.1	31.2	31.2	31.1
Average hourly earnings	\$2.90	\$3.13	\$3.34	\$3.41	\$3.49	\$3.58	\$3.66
Hospitals (SIC 806)							
Total number of employees (000)	2,291.7	2,391.5	2,483.1	2,503.3	2,524.0	2,545.8	2,568.6
Nonsupervisory employees							
Number of employees (000)	2,089.1	2,167.4	2,256.3	2,278.4	2,300.2	2,322.4	2,344.4
Average weekly hours	34.7	34.3	34.0	34.0	34.0	34.1	34.1
Average hourly earnings	\$4.11	\$4.42	\$4.75	\$4.84	\$4.94	\$5.05	\$5.15
All private nonagricultural establishments							
Total number of employees (000)	62,645	65,053	67,896	68,682	69,464	70,287	71,138
Nonsupervisory employees							
Number of employees (000)	51,339	53,309	55,628	56,261	56,886	57,543	58,218
Average weekly hours	36.1	36.0	35.9	35.9	35.9	35.9	35.9
Average hourly earnings	\$4.61	\$4.95	\$5.34	\$5.45	\$5.57	\$5.69	\$5.81

* 1972 Standard Industrial Classification (SIC)

Source: based on data from the Bureau of Labor Statistics (Establishment Survey), U.S. Department of Labor

Table D-3. Annual Percentage Change in Employment, Hours, and Earnings in Private Health Service Establishments, by Selected Type of Establishment

Type of Establishment *	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Health services (SIC 80)							
Total number of employees	5.7	5.5	4.7	4.4	4.2	4.2	4.3
Nonsupervisory employees							
Number of employees	5.5	5.0	4.5	4.2	4.0	4.0	4.0
Average weekly hours	-.3	-.9	-.3	-.3	-.3	.3	.3
Average hourly earnings	8.7	7.5	7.2	7.3	7.9	8.2	8.7
Offices of physicians and surgeons (SIC 801)							
Total number of employees	6.3	5.7	5.4	5.4	5.4	5.3	5.1
Nonsupervisory employees							
Number of employees	4.9	4.8	4.2	4.3	4.4	4.3	3.9
Average weekly hours	.3	.3	.0	-.6	-1.2	-1.2	-.3
Average hourly earnings	6.9	7.7	8.6	8.1	8.4	8.5	8.3
Offices of dentists (SIC 802)							
Total number of employees	8.4	7.4	5.0	3.3	2.1	1.7	2.0
Nonsupervisory employees							
Number of employees	8.5	7.4	3.6	1.6	-.1	-.3	.1
Average weekly hours	-2.4	-1.0	-.7	.3	1.1	1.4	1.8
Average hourly earnings	7.0	8.1	6.8	7.2	6.4	4.9	4.8
Nursing and personal care facilities (SIC 805)							
Total number of employees	6.8	6.6	5.3	5.2	5.2	5.5	5.9
Nonsupervisory employees							
Number of employees	6.7	6.6	5.0	4.7	4.7	4.9	5.4
Average weekly hours	.3	-.6	.0	.0	.3	.3	.0
Average hourly earnings	9.0	7.9	6.7	7.2	8.0	9.5	9.6
Hospitals (SIC 806)							
Total number of employees	4.4	4.4	3.8	3.5	3.3	3.4	3.4
Nonsupervisory employees							
Number of employees	4.3	3.7	4.1	4.0	3.9	4.0	3.9
Average weekly hours	.0	-1.2	-.9	-.6	-.3	.3	.3
Average hourly earnings	9.6	7.5	7.5	7.6	7.9	8.4	8.4
All private nonagricultural establishments							
Total number of employees	-1.5	3.8	4.4	4.5	4.6	4.6	4.8
Nonsupervisory employees							
Number of employees	-1.9	3.8	4.4	4.5	4.6	4.5	4.7
Average weekly hours	-.8	-.3	-.3	-.3	-.3	-.3	.0
Average hourly earnings	6.7	7.4	7.9	7.9	8.2	8.4	8.8

* 1972 Standard Industrial Classification (SIC)

Source: based on data from the Bureau of Labor Statistics (Establishment Survey), U.S. Department of Labor

Section E. Selected National Economic Indicators

Health trends do not occur in a vacuum; this section of Trends provides the backdrop of national economic activity to which the health sector can be compared. The national indicators discussed cover output, employment, and prices.

Output. The Gross National Product (GNP) for the twelve months ending in March 1979 was nearly \$2.2 trillion (Table E-1). The Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce publishes estimates of the GNP -- which measures the value of the output of the U.S. economy -- in the Survey of Current Business. In recent periods, annual growth of the GNP has been in the range of 11-13 percent (Table E-2) and has been slower than that of national health expenditures. Unlike national health expenditures, growth in the GNP is influenced heavily by international flows of goods and services -- which are influenced in turn by the international value of the dollar -- and by the change in business inventories (business' holdings of goods due to, or as a hedge against, short-run changes in supply or demand).

The GNP is as much affected by price inflation as is any other measure of dollar volume, so the BEA analysts also estimate the constant-dollar (real) GNP, which ignores the effects of price change. During the year ending in March 1979, the real GNP grew at about the same rate as it had since mid-1978, 4.5 percent.* However, the data in Tables E-1 and E-2 show twelve-month averages; on a quarterly basis, real GNP has been decelerating through 1979.

A measure which is related closely to the real GNP is the GNP implicit price deflator, which shows the current status of prices relative to 1972 prices. This price measure covers many items, such as construction, not covered by the personal health care expenditure deflator (see Section A), and it subsumes consumer prices, wholesale prices, import prices, and so on. In the twelve months ending in March 1979, the deflator rose 8.0 percent from the previous year. Annual growth in the GNP deflator has been increasing since early in 1977, although it has yet to reach the rates of 10 percent and more experienced during 1975.

* A widely-used rule of thumb is that real GNP must increase 4 percent each year to provide jobs for new entrants in the job market.

Employment, hours and earnings. Reflecting the growth in real GNP, the aggregate rate of unemployment fell. This was true both for all workers and for "prime-age males" -- men aged 25-54 years, considered by many to be the nucleus (de facto) of the work force. During the twelve months ending in March 1979, an average of 5.9 percent of all workers and 3.3 percent of prime-age males were unemployed. [These measures exclude those people who were not looking for paid work outside the home and those who gave up looking for work.]

During the year ending in March 1979, there was an average of 71 million full-time and part-time jobs held in the private sector. Continuing a long-run downward trend, the average work week of nonsupervisory workers was 35.9 hours, and the rate of growth of average hourly earnings rose to 8.8 percent. In contrast, growth of employment in the private health sector has been slower; however, the work week is becoming longer, and the annual growth rate of hourly earnings has risen more rapidly than that of earnings in the aggregate private economy. [See Section D for more detail.]

Prices. As discussed previously in Section C, the annual growth of consumer prices, as measured by the Consumer Price Index, began to rise in mid-1978, reaching 8.5 percent in the twelve months ending in March 1979. Annual growth in the Producer Price Index for finished consumer goods, a measure of wholesale prices, rose even more quickly, to a growth rate of 8.8 percent.

Table E-1. Selected National Economic Indicators

Indicator	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Gross National Product (GNP)							
Billions of dollars	\$1,578.5	\$1,743.7	\$1,947.2	\$2,004.3	\$2,061.6	\$2,127.5	\$2,197.7
Billions of 1972 dollars	\$1,224.3	\$1,287.0	\$1,353.5	\$1,369.5	\$1,382.8	\$1,399.2	\$1,414.9
Implicit price deflator (1972=100)	128.94	135.48	143.87	146.35	149.08	152.05	155.33
Employment, hours and earnings							
Unemployment rate							
All workers	8.3%	7.6%	6.7%	6.4%	6.2%	6.0%	5.9%
Males aged 25-54	5.5%	4.9%	4.0%	3.7%	3.5%	3.4%	3.3%
Private nonagricultural workers:							
Total number of employees (000)	62,645	65,053	67,896	68,682	69,464	70,287	71,138
Average weekly hours	36.1	36.0	35.9	35.9	35.9	35.9	35.9
Average hourly earnings	\$4.61	\$4.95	\$5.34	\$5.45	\$5.57	\$5.69	\$5.81
Health services * workers:							
Total number of employees (000)	4,182.8	4,411.5	4,618.3	4,666.3	4,714.4	4,764.4	4,816.7
Average weekly hours	33.4	33.1	33.0	33.0	33.0	33.1	33.1
Average hourly earnings	\$3.89	\$4.18	\$4.48	\$4.57	\$4.67	\$4.76	\$4.87
Prices (1967=100)							
Consumer price index, all items	163.8	172.9	184.4	187.6	191.3	195.4	200.1
Producer price index **, finished consumer goods	165.7	170.8	181.7	184.8	188.5	192.6	197.6

* 1972 Standard Industrial Classification 80

** formerly called the "Wholesale Price Index"

Source: based on data from the Bureau of Economic Analysis, U.S. Department of Commerce; and from the Bureau of Labor Statistics, U.S. Department of Labor

Table E-2. Annual Percentage Change in Selected National Economic Indicators

Indicator	Twelve-month Period Ending						
	1976	March 1977	1978	June 1978	September 1978	December 1978	March 1979
Gross National Product (GNP)							
Current dollars	10.1	10.5	11.7	11.8	11.7	12.0	12.9
Constant (1972) dollars	1.8	5.1	5.2	5.1	4.6	4.4	4.5
Implicit price deflator	8.2	5.1	6.2	6.4	6.8	7.3	8.0
Employment, hours and earnings							
Unemployment rate							
All workers	1.8†	- .7†	- .9†	-1.1†	-1.1†	-1.0†	- .8†
Males aged 25-54	1.6†	- .6†	- .9†	-1.1†	-1.1†	- .9†	- .7†
Private nonagricultural workers:							
Total number of employees	-1.5	3.8	4.4	4.5	4.6	4.6	4.8
Average weekly hours	- .8	- .3	- .3	- .3	- .3	- .3	.0
Average hourly earnings	6.7	7.4	7.9	7.9	8.2	8.4	8.8
Health services * workers:							
Total number of employees	5.7	5.5	4.7	4.4	4.2	4.2	4.3
Average weekly hours	- .3	- .9	- .3	- .3	- .3	.3	.3
Average hourly earnings	8.7	7.5	7.2	7.3	7.9	8.2	8.7
Prices							
Consumer price index, all items	8.0	5.6	6.7	6.7	7.1	7.7	8.5
Producer price index **, finished consumer goods	7.9	3.1	6.4	6.6	7.0	7.7	8.8

† period-to-period change in rate

* 1972 Standard Industrial Classification 80

** formerly called the "Wholesale Price Index"

Source: based on data from the Bureau of Economic Analysis, U.S. Department of Commerce; and from the Bureau of Labor Statistics, U.S. Department of Labor

References:

Freeland, Mark S., Gerard Anderson and Carol Ellen Schendler. "National Hospital Input Price Index," Health Care Financing Review (Summer 1979); Health Care Financing Administration, Washington D.C.

Gibson, Robert M. "National Health Expenditures, 1978," Health Care Financing Review (Summer 1979); Health Care Financing Administration, Washington D.C.

Appendix: Contacts for further information

Unless noted, contacts are members of the Division of National Cost Estimates (Office of Research, Demonstrations, and Statistics; Health Care Financing Administration).

General, or not listed ... Daniel Waldo (202) 472-4423

National health expenditures:

Hospital care	... Robert Gibson	"	245-0562
Professional services	... Mark Freeland	"	245-0526
Eyeglasses	... Carol Schendler	"	245-0526
Nursing-home care	... Charles Fisher	"	472-4424
Research	... Carol Schendler	"	245-0526
Health insurance	... Ross Arnett III	"	472-4422
Medicare/Medicaid	... Charles Fisher	"	472-4424
Other government programs	... Robert Gibson	"	245-0562

Community hospital statistics ... Robert Gibson " 245-0562

National Hospital Panel Survey ... Peter Kralovec,
AHA Hospital
Data Center (312) 280-6523

Prices:

Consumer Price Indexes ... BLS Division of
Consumer Prices
and Price Indexes (202) 523-8419

National Hospital Input
Price Index ... Mark Freeland " 245-0526

National Nursing Home
Input Price Index ... Charles Fisher " 472-4424

Producer Price Indexes ... BLS Division of
Industrial Prices
and Price Indexes " 523-1204

Employment and unemployment ... BLS Office of
Current Employment
Analysis " 523-1944

Employment, hours and earnings ... BLS Division of
Industry Employment
Statistics " 523-1146

Gross National Product ... BEA National Income
and Wealth Division " 523-0824

Abbreviations:

AHA -- American Hospital Association

BEA -- Bureau of Economic Analysis, U.S. Department of Commerce

BLS -- Bureau of Labor Statistics, U.S. Department of Labor

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